

Amendment No. 598

Assembly Amendment to Assembly Bill No. 430

(BDR 32-1003)

Proposed by: Committee on Government Affairs**Amendment Box:** Replaces Amendment No. 448.**Resolves Conflicts with:** N/A**Amends:** Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION	Initial and Date	SENATE ACTION	Initial and Date
Adopted <input type="checkbox"/> Lost <input type="checkbox"/>	_____	Adopted <input type="checkbox"/> Lost <input type="checkbox"/>	_____
Concurred In <input type="checkbox"/> Not <input type="checkbox"/>	_____	Concurred In <input type="checkbox"/> Not <input type="checkbox"/>	_____
Receded <input type="checkbox"/> Not <input type="checkbox"/>	_____	Receded <input type="checkbox"/> Not <input type="checkbox"/>	_____

Amend sec. 3, page 2, by deleting lines 28 through 35 and inserting:

“Section 1. Section 56.1 of the above-entitled Act, being Chapter 397, Statutes of Nevada 1955, as added by Chapter 306, Statutes of Nevada 1969, at page 532, and as last amended by Chapter 404, Statutes of Nevada 1995, at page 1007, is hereby amended to read as follows:

Sec. 56.1. 1. There are exempted from the taxes imposed by this act the gross receipts from sales and the storage, use or other consumption of:

(a) Prosthetic devices, orthotic appliances ~~[and]~~, *hearing aids and other auditory devices and appliances, corrective eyeglasses, contact lenses and other ophthalmic or ocular devices and appliances*, ambulatory casts for human use, and other supports and casts if prescribed or applied by a licensed provider of health care, within his scope of practice, for human use.

SJC/BJE

Date: 4/22/2005

A.B. No. 430—Proposes to exempt sales of medical goods and equipment from sales and use taxes and analogous taxes.



- (b) Appliances and supplies relating to an ostomy.
- (c) Products for hemodialysis ~~[-]~~ ***and durable medical equipment if prescribed by a licensed provider of health care acting within his scope of practice.***
- (d) ***Canes, crutches, manual or motorized wheelchairs or scooters that enhance the ability of a person to move, and other mobility-enhancing equipment if prescribed by a licensed provider of health care acting within his scope of practice.***
- (e) Medicines:
 - (1) Prescribed for the treatment of a human being by a person authorized to prescribe medicines, and dispensed on a prescription filled by a registered pharmacist in accordance with law;
 - (2) Furnished by a licensed physician, dentist or podiatric physician to his own patient for the treatment of the patient;
 - (3) Furnished by a hospital for treatment of any person pursuant to the order of a licensed physician, dentist or podiatric physician; or
 - (4) Sold to a licensed physician, dentist, podiatric physician or hospital for the treatment of a human being.

2. As used in this section:

- (a) “Medicine” means any substance or preparation intended for use by external or internal application to the human body in the diagnosis, cure, mitigation, treatment or prevention of disease or affliction of the human body and which is commonly recognized as a substance or preparation intended for such use. The term includes splints, bandages, pads, compresses and dressings.

(b) “Medicine” does not include:

(1) Any auditory, ophthalmic or ocular device or appliance.

(2) Articles which are in the nature of instruments, crutches, canes, devices or other mechanical, electronic, optical or physical equipment.

(3) Any alcoholic beverage, except where the alcohol merely provides a solution in the ordinary preparation of a medicine.

(4) Braces or supports, other than those prescribed or applied by a licensed provider of health care, within his scope of practice, for human use.

3. Insulin furnished by a registered pharmacist to a person for treatment of diabetes as directed by a physician shall be deemed to be dispensed on a prescription within the meaning of this section.”.

Amend sec. 4, page 3, by deleting line 7 and inserting:

“consumption of auditory devices and appliances, ophthalmic or ocular devices and appliances, durable medical equipment and mobility-enhancing equipment prescribed by a licensed provider of health care?”.

Amend sec. 5, page 3, by deleting line 17 and inserting:

“consumption of auditory devices and appliances, ophthalmic or ocular devices and appliances, durable medical equipment and mobility-enhancing equipment prescribed by a licensed provider of health care. If this”.

Amend the bill as a whole by renumbering sec. 9 as sec. 10 and adding a new section designated sec. 9, following sec. 8, to read as follows:

“Sec. 9. Chapter 372 of NRS is hereby amended by adding thereto a new section to read as follows:

In administering the provisions of section 56.1 of chapter 397, Statutes of Nevada 1955, which is included in NRS as NRS 372.283, the Department shall construe the term:

1. “Durable medical equipment” to mean equipment, including any repair and replacement parts therefor, which:

- (a) Can withstand repeated use;*
- (b) Is primarily and customarily used to serve a medical purpose;*
- (c) Generally is not useful to a person in the absence of illness or injury; and*
- (d) Is not worn in or on the body.*

2. “Mobility-enhancing equipment” to mean equipment, including any repair and replacement parts therefor, which:

- (a) Is primarily and customarily used to provide or increase the ability to move from one place to another and which is appropriate for use either in a home or a motor vehicle;*
- (b) Is not generally used by persons with normal mobility; and*
- (c) Does not include any motor vehicle or equipment on a motor vehicle normally provided by a manufacturer of motor vehicles.”.*

Amend sec. 9, page 3, by deleting lines 38 through 40 and inserting:

“In administering the provisions of NRS 374.287, the Department shall construe the term:

1. “Durable medical equipment” to mean equipment, including any repair and replacement parts therefor, which:

- (a) Can withstand repeated use;*

- (b) Is primarily and customarily used to serve a medical purpose;*
- (c) Generally is not useful to a person in the absence of illness or injury; and*
- (d) Is not worn in or on the body.*

2. “Mobility-enhancing equipment” to mean equipment which:

- (a) Is primarily and customarily used to provide or increase the ability to move from one place to another and which is appropriate for use either in a home or a motor vehicle;*
- (b) Is not generally used by persons with normal mobility; and*
- (c) Does not include any motor vehicle or equipment on a motor vehicle normally provided by a manufacturer of motor vehicles.”.*

Amend the bill as a whole by deleting sec. 10, renumbering sec. 11 as sec. 12 and adding a new section designated sec. 11, following sec. 9, to read as follows:

“Sec. 11. NRS 374.287 is hereby amended to read as follows:

374.287 1. There are exempted from the taxes imposed by this chapter the gross receipts from sales and the storage, use or other consumption of:

- (a) Prosthetic devices, orthotic appliances ~~and~~, hearing aids and other auditory devices and appliances, corrective eyeglasses, contact lenses and other ophthalmic or ocular devices and appliances, ambulatory casts for human use, and other supports and casts if prescribed or applied by a licensed provider of health care, within his scope of practice, for human use.*
- (b) Appliances and supplies relating to an ostomy.*
- (c) Products for hemodialysis ~~and~~ and durable medical equipment if prescribed by a licensed provider of health care acting within his scope of practice.*

(d) *Canes, crutches, manual or motorized wheelchairs or scooters that enhance the ability of a person to move, and other mobility-enhancing equipment if prescribed by a licensed provider of health care acting within his scope of practice.*

(e) Medicines:

(1) Prescribed for the treatment of a human being by a person authorized to prescribe medicines, and dispensed on a prescription filled by a registered pharmacist in accordance with law;

(2) Furnished by a licensed physician, dentist or podiatric physician to his own patient for the treatment of the patient;

(3) Furnished by a hospital for treatment of any person pursuant to the order of a licensed physician, dentist or podiatric physician; or

(4) Sold to a licensed physician, dentist, podiatric physician or hospital for the treatment of a human being.

2. As used in this section:

(a) “Medicine” means any substance or preparation intended for use by external or internal application to the human body in the diagnosis, cure, mitigation, treatment or prevention of disease or affliction of the human body and which is commonly recognized as a substance or preparation intended for such use. The term includes splints, bandages, pads, compresses and dressings.

(b) “Medicine” does not include:

(1) Any auditory, ophthalmic or ocular device or appliance.

(2) Articles which are in the nature of instruments, crutches, canes, devices or other mechanical, electronic, optical or physical equipment.

(3) Any alcoholic beverage, except where the alcohol merely provides a solution in the ordinary preparation of a medicine.

(4) Braces or supports, other than those prescribed or applied by a licensed provider of health care, within his scope of practice, for human use.

3. Insulin furnished by a registered pharmacist to a person for treatment of diabetes as directed by a physician shall be deemed to be dispensed on a prescription within the meaning of this section.”.

Amend sec. 11, page 4, by deleting line 5 and inserting:

“2. Sections 9, 10 and 11 of this act become effective on January 1,”.

Amend the title of the bill by deleting the fourth line and inserting:

“the tax for certain auditory devices and appliances, ophthalmic or ocular devices and appliances, durable medical equipment and mobility-enhancing equipment; providing for”.

Amend the summary of the bill to read as follows:

“SUMMARY—Proposes to exempt sales of certain auditory devices and appliances, ophthalmic or ocular devices and appliances, durable medical equipment and mobility-enhancing equipment from sales and use taxes and analogous taxes. (BDR 32-1003)”.

**If this amendment is adopted, the Legislative
Counsel's Digest will be changed to read as follows:**

Legislative Counsel's Digest:

Existing law creates the Sales and Use Tax Act of 1955, which was approved by the voters in a referendum on November 6, 1956. (Chapter 372 of NRS) Under existing law, if the voters approve a statute or resolution in a referendum, the statute or resolution is the law of the State and may not be amended, annulled, repealed, set aside, suspended or in any way made inoperative except by the direct vote of the people. (Nev. Const., Art. 19, § 1)

Existing law creates the Local School Support Tax Law. (Chapter 374 of NRS) Any amendment to the Local School Support Tax Law is also applicable to other sales and use taxes imposed under existing law. (NRS 354.705, 374A.010, 376A.060, 377.040, 377A.030, 377B.110 and 543.600 and various special and local acts)

This bill requires that a question be submitted to the voters at the 2006 General Election on whether the Sales and Use Tax Act of 1955 should be amended to provide an exemption for auditory devices and appliances, ophthalmic or ocular devices and appliances, durable medical equipment and mobility-enhancing equipment prescribed by a licensed provider of health care.

This bill amends the Local School Support Tax Law to provide an exemption for auditory devices and appliances, ophthalmic or ocular devices and appliances, durable medical equipment and mobility-enhancing equipment prescribed by a licensed provider of health care.

The exemptions from sales and use taxes for auditory devices and appliances, ophthalmic or ocular devices and appliances, durable medical equipment and mobility-enhancing equipment

become effective on January 1, 2007, only if the voters approve the amendment to the Sales and Use Tax Act of 1955 at the General Election in 2006.